This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 003947

SIPDIS

STATE FOR TASK FORCE 1, NEA, EB LONDON FOR TSOU STATE PLEASE PASS TO USAID/OFDA

E.O. 12958: DECL: 09/06/2015
TAGS: <u>AEMR EAID PREL ENRG KU US KATRINA AID</u>
SUBJECT: TFUS01: GOK OFFERS \$500 MILLION IN HURRICANE
KATRINA RELIEF

REF: A. STATE 163405

_B. STATE 163366
_C. 09/04/2005 TASK FORCE-1 DIRECTOR - AMBASSADOR
LEBARON EMAIL

Classified By: Ambassador Richard LeBaron for reason 1.4 (b)

- 11. (U) This is an action request. Please see Embassy recommendation in para 6 and action request in para 7.
- 12. (C) The Government of Kuwait (GOK) has decided to provide \$500 million in aid to the victims of Hurricane Katrina, through a \$100 million cash grant and \$400 million in oil products. The Council of Ministers made this decision during its weekly meeting on September 4, and this was confirmed to the Ambassador in a telephone call with Foreign Minister Shaykh Dr. Mohammed Al-Sabah the evening of September 4. Dr. Mohammed said that the \$400 million in "bulk oil products" would be organized by the Ministry of Energy, and that the \$100 million cash grant would be organized through Kuwait's Embassy in Washington. Dr. Mohammad said that the Kuwaiti aid is subject to approval by the National Assembly, which is currently not in session (it returns in October), but that the GOK had already consulted with the Assembly leadership and "did not expect any resistance." Dr. Mohammed opened and closed the conversation with expressions of sympathy and solidarity with the American people.
- 13. (C) Ambassador spoke by telephone the afternoon of September 5 with Energy Minister Shaykh Ahmad Fahd Al-Ahmad Al-Sabah to get a better idea of modalities for the Kuwaiti assistance. Shaykh Ahmed said that he had spoken to the Prime Minister earlier in the day, and provided the current Kuwaiti thinking. He said that the initial \$100 million is already in the GOK budget so that they can go ahead and move it without further National Assembly approval. Contrary to what we are hearing from the Task Force, Shaykh Ahmad indicated that the GOK is considering doing half of the initial \$100 million in petroleum products he said through buying refined product already on ships or at European refineries. He said that he thought the other half of the initial \$100 million would go to humanitarian aid, such as to the Red Cross. He encouraged us to engage the Foreign Ministry on the initial \$100 million tranche, as this would be that Ministry's responsibility, and said it would be useful to meet with Foreign Minister Shaykh Dr. Mohammad Al-Sabah when he is in the U.S. for UN meetings. (The Foreign Minister is off to GCC and Arab League meetings starting tomorrow. Ambassador is scheduled to see the Acting Undersecretary on Wednesday. The Energy Minister is traveling today to China and on to New York for UN meetings.)
- 14. (C) Regarding the other \$400 million in petroleum products, the Energy Minister indicated that this would require Assembly approval in October before firm plans could be made. He indicated that the GOK had not yet considered how this part of the package would work. He noted that part of the support could be a year's free supply of the increment of additional fuel requested by OSD recently for operations in Iraq. (Note: OSD A/S Peter Rodman made this request to Amb. Salim, before Hurricane Katrina. The GOK has been a major supplier of free and heavily discounted jet fuel that U.S. forces use for both ground and air operations in Iraq and Kuwait.) He said KPC is going to try to figure out where they can find additional fuel, because at this time, they do not have any available uncommitted jet fuel.
- 15. (U) Embassy point of contact for follow up on the oil products donation is Deputy Chief Of Mission Matthew Tueller. Unclass Email: tuellermh@state.gov / Class Email: tuellermh@state.sgov.gov / Phone: 965-259-1362. On any communications regarding the oil products donation, please also CC: Ambassador Richard Lebaron (lebaronrb@state.gov / lebaronrb@state.sgov.gov) and Economic Counselor Stephen Carrig (carrigsj@state.gov / carrigsj@state.sgov.gov).
- $\P6$. (SBU) Embassy Recommendation: Ambassador recommends that Washington coordinate closely with Kuwaiti Ambassador and KPC rep in Washington. Washington should confirm with them what the Energy Minister told us today. At this time, contact by working level USG offices in Washington with officials in

Kuwait would not be productive and add to existing confusion about the details of the Kuwaiti donations. Working with the Ambassador and KPC in Washington will reveal whether it will be useful or necessary to engage the Foreign Minister when he comes to New York. The Energy Minister will also be with the Prime Minister in New York for the UN High Level Meeting.

17. (U) Per Ref C, it appears that someone in the GOK has been in contact with the Task Force or elsewhere in the Department regarding the specifics of the \$100 million cash donation. Per the Ref C Email, Department advised that the GOK would make its cash donation to the USG versus a donation to a U.S. assistance organization. Please let us know who has been in contact on this and the details of arrangements discussed.

LEBARON